

AMENDED IN ASSEMBLY APRIL 5, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 1636

**Introduced by Committee on Revenue and Taxation (Knox
(Chair), Kaloogian (Vice Chair), Aroner, Briggs, Ducheny,
Honda, and Romero)**

March 3, 1999

An act to amend Sections 19347 and 19384 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1636, as amended, Committee on Revenue and Taxation. Franchise and income tax laws: deficiencies and actions.

Existing laws pertaining to the administration of franchise and income taxes provide that the Franchise Tax Board may abate the assessment of interest in certain cases, and the taxpayer may, within 180 days after the board's notice not to abate interest, appeal the board's determination to the State Board of Equalization. Those laws also specify the requirements to bringing an action with respect to that interest.

This bill would specify that a taxpayer may bring an action after, among other things, a determination by the State Board of Equalization, including the issuance of a decision, opinion, or dismissal on a petition for rehearing, as provided.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

~~SECTION 1. Section 19347 of the Revenue and~~

SECTION 1. Section 19347 of the Revenue and Taxation Code is amended to read:

19347. Within 90 days after the mailing of the notice of the Franchise Tax Board's action disallowing interest upon any refund claim, or, in the case of an appeal to the board from the disallowance of interest on any refund claim, within the 90 days after the ~~mailing of the notice~~ of the board's determination (*including the issuance of a decision, opinion, or dismissal*) of the appeal becomes final pursuant to Section 19346, the taxpayer may bring an action against the Franchise Tax Board on the grounds set forth for interest in the claim for the recovery of the interest.

SEC. 2. Section 19384 of the Revenue and Taxation Code is amended to read:

19384. The action provided by Section 19382 shall be filed within four years from the last date prescribed for filing the return or within one year from the date the tax was paid, or within 90 days after (a) notice of action by the Franchise Tax Board upon any claim for refund, or (b) ~~final notice of action~~ the determination (*including the issuance of a decision, opinion, or dismissal*) by the State Board of Equalization on an appeal from the action of the Franchise Tax Board on a claim for refund becomes final pursuant to Section 19334, whichever period expires the later.

SEC. 3. The amendments made by this act shall be operative for any determination made by the State Board of Equalization that becomes final pursuant to Section 19334 and 19346 of the Revenue and Taxation Code on or after January 1, 2000.

~~Taxation Code is amended to read:~~

~~19347. A taxpayer may bring an action against the Franchise Tax Board on the grounds set forth for interest in the claim for recovery of the interest within 90 days after any of the following:~~

1 ~~(a) The mailing of a notice of action by the Franchise~~
2 ~~Tax Board disallowing interest upon any claim for refund.~~

3 ~~(b) A determination pursuant to Section 19345 by the~~
4 ~~State Board of Equalization (including the issuance of a~~
5 ~~decision, opinion, or dismissal) on an appeal from the~~
6 ~~action of the Franchise Tax Board.~~

7 ~~(c) A determination pursuant to Section 19345 by the~~
8 ~~State Board of Equalization (including the issuance of a~~
9 ~~decision, opinion, or dismissal) on a petition for~~
10 ~~rehearing.~~

11 ~~SEC. 2. Section 19384 of the Revenue and Taxation~~
12 ~~Code is amended to read:~~

13 ~~19384. The action provided by Section 19382 shall be~~
14 ~~filed within the later of:~~

15 ~~(a) Four years from the last date prescribed for filing~~
16 ~~the return.~~

17 ~~(b) One year from the date the tax was paid.~~

18 ~~(c) Ninety days after any of the following:~~

19 ~~(1) The mailing of a notice of action by the Franchise~~
20 ~~Tax Board upon any claim for refund.~~

21 ~~(2) A determination pursuant to Section 19333 by the~~
22 ~~State Board of Equalization on an appeal from the action~~
23 ~~of the Franchise Tax Board.~~

24 ~~(3) A determination pursuant to Section 19333 by the~~
25 ~~State Board of Equalization (including the issuance of a~~
26 ~~decision, opinion, or dismissal) on a petition for~~
27 ~~rehearing.~~